

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS**

TYLER DIVISION

DATE: 12/21/2006

JUDGE
JOHN LOVE

REPORTER: Jan Mason
LAW CLERK: Deleith Gossett

ADVANCEME, INC. Plaintiff vs. RAPIDPAY, LLC., ET AL Defendant	CIVIL ACTION NO: 6:05CV424 AND 6:06CV82 MOTIONS HEARING (DOC. #143, 145, 75, 78)
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ATTORNEY FOR PLAINTIFF	ATTORNEY FOR DEFENDANT
Otis Carroll Deborah Race Mike Edelman	Doug McSwane Joseph Gray Floyd Walker Bill Schurman

On this day, came the parties by their attorneys and the following proceedings were had:

OPEN:

ADJOURN:

TIME:	MINUTES:
2:10	Case called.
	McSwane announces agreements.
	Judge denies #150 as moot
2:13	As agreed to answer inter. w/ excep.
	to joint defense agreement
	AS in Rapidpay have 15 inter-
	Covers 78 and 145
	Docket 143 and 75 - where are we?
2:15	McSwane agree Pl. will produce
	30b(6) within week of 1/15.

DAVID J. MALAND, CLERK

FILED: 12/21/06

BY: Sharon Guthrie, Courtroom Deputy

PAGE 2 - Proceedings Continued

TIME:	MINUTES:
2:16	Carroll discusses specifics - prior act in the future
	Edelman makes comments
2:17	McSwane description of privilege for Parties have jointly agreed to provide mtn. to continue.
2:20	Carroll - couple things from plaintiff
2:22	McSwane - back up tapes - plaintiffs will produce 2 months of back up tapes. Carroll responds.
2:25	Schurman - interrogatory come first; there is prior act - uses Board 1 + 3 for explanation - Board B4 - explain's difference from Board B3. Board B5 -
2:32	discuss Denis Club prior act; let's look at Lotte + Co.; they needed an expert in order to respond. Board 6 - further explanation
2:45	Carroll responds - supplement our interrogatory - not prior it has to be written; save the rest for when invited.
2:46	Edelman - important distinction to be made - defined their terms - long list of distinctions
2:58	Schurman - one other thing What do you want them to do?
3:00	Schurman - respond accurately - compare charts Carroll responds
3:02	Judge discusses - Do they say that and believe that what can Odo?

PAGE 3 - Proceedings Continued

TIME:	MINUTES:
3:05	Schurman - would limit issues Ct. is going to grant the mtn. as discussed today. Anything else?
3:07	Carroll - part of problem - consider add'l information
3:08	Grant the mtn. as to what has been agreed to. The answer is what it is. How quickly can you get them? January 12 - Do we have document issues?
3:10	Schurman - what is relevant? showing doc to ct.
3:25	5 minute break
3:35	Schurman - relevant documents? Judge - confidential issues Schurman - have protective order - pages 3 and 4 of document - notice of appeal - why redacted - all board meeting minutes
3:40	Edelman - we produced two of those documents
3:41	Judge - asking question of Schurman Schurman - prepared regularly - any knowledge of competition before 1997
3:43	Edelman - searched for documents Judge - let me ask this Schurman - no secret - who was involved in prosecution - widely known

PAGE 4 - Proceedings Continued

TIME:	MINUTES:
3:45	Judge - what he is saying Edelman - with respect to both we searched for documents Schuman - done thorough search
3:47	Judge - what is prior art - knowledge of prior art Edelman - searched all documents - some documents were produced - former employees
3:50	Judge - deny request for further doc. inform A. of what you have - let me ask abt competitive
3:52	Edelman - looked at board mtg minutes will go back and look again Judge - accomplish by 1/15 - depose former employees - on Angrasani depositions
3:54	Edelman - what was litigation about - sensitive issues - whether patent was filed Judge - redacted portions do not relate to patents - pursuant to protective order
3:58	Schuman - responds Edelman - ones on our log Schuman - responds Edelman - will look at those three
4:00	Judge - go back and look - anything further - interrogatory issue granted + doc. issue by 1/15

4:05